

# The Sentinel

Number 5

December 10, 2004

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A Publication of the GAO  
Policy and Compliance Unit

## **New Forms**

We would like to thank all the security administrators who have been using the new security forms such as the GAO-3, GAO-9 and GAO-96 forms. For those of you who may not be aware of this, we now have interactive forms available online at <http://www.gao.state.az.us/onlineforms/>.

The new forms better communicate your requests. We find it particularly helpful when you include the employee's AFIS and HRIS user IDs on the GAO-9 form (Warrant Authorization Card Application). Though we check IDs against applicants' names, when you include the information it may save us some steps, which helps us to process your requests more quickly.

## **An Ounce of Prevention...**

In our last issue of *The Sentinel* we introduced the four categories of internal controls—preventive controls, detective controls, directive controls and compensating controls. In this issue we will discuss preventive controls; in future issues we will discuss, one by one, the other internal control categories.

Preventive controls are built into a system. In the case of AFIS, for example, the preventive controls are the various user classes and rights that can be assigned within those classes. This is a preventive software control. Such controls are preventive in the sense that they preclude someone without appropriate access from performing a certain function. Appropriate segregation of duties, as we discussed in the last issue of *The Sentinel*, is also a preventive control, in this case, a control built into the processing or organizational system.

Preventive controls are generally the most effective category of internal controls. Internal controls in this sense are like medical treatment—an ounce of prevention is worth a pound of cure. And, as with some forms of medical treatment, preventive internal controls are not always welcomed or appreciated by those compelled to submit themselves to the treatment.

## **Security Awareness**

For the last several years, the papers have been filled with headlines about fraud, waste and abuse. The recent focus on such matters has resulted in new legislation (such as the Sarbanes-Oxley Act) and related actions to strengthen corporate governance. One of those actions is the U.S. Sentencing Commission's changes to Federal Sentencing Guidelines

As discussed by Kenneth L. Blickenstaff, CFE (Changes Could Begin New Compliance Era, *Fraud*, September/October 2004), the U.S. Sentencing Commission has recently promulgated the following seven minimum requirements that make up the test of effectiveness of a corporate governance program:

1. assignment of high-level personnel to oversee the compliance function;
2. written standards and procedures;
3. due care in the delegation of discretionary authority;
4. effective communication of standards and training;
5. monitoring, auditing, and reporting;
6. enforcement and discipline; and
7. response, prevention, and modification.

Applications Security and agency security administrators work together to assist agency management to exercise due care in the delegation of discretionary authority (Warrant Authorization Cards and user access to AFIS fall within the definition of such authority) and, thereby, help agency management to comply with the third requirement.

Before someone is granted access, we analyze the request to see if it's appropriate. We first check to see whether the request is valid. We ask such questions as:

- Is the Agency allowed to use this user class?
- Does the system allow this access? (For example, some user classes have no release or no edit mode 2.)
- Is the request for new access compatible with the user's current access?
- Does the user already have a Warrant Authorization Card? If so, is the request inappropriate in that light?
- Is the request inappropriate in and of itself? (Asking for both enter and release in a user class that can generate a payment is, absent adequate compensating controls, inappropriate in that it violates necessary segregation of duties.)
- Does anything else appear unusual in this request?

We hope an understanding of these considerations will help clarify why we sometimes process the forms exactly as requested and at other times ask that one or more items be changed.

## **Security Awareness (Continued)**

At times, given the staff limitations, ideal segregation of duties is not obtainable. In such cases, we send out "risk letters" asking agency heads to acknowledge and accept the additional risk brought about by the inappropriate segregation of duties. In some circumstances, before approving a request, we require that some system of compensating controls be put into place.

While risk letters and realignment of responsibilities are sometimes inconvenient, they are often necessary to protect agency management, agency security administrators, and the State of Arizona Government.

## **Changes to IDs Help Prevent Identity Theft**

To better protect Social Security Numbers (SSNs) and Taxpayer Identification Numbers (TINs), the General Accounting Office (GAO) is removing the vendor number from the face of the warrant and the warrant stub.

Moreover, so vendor numbers in the Arizona Financial Information System (AFIS) correlate to the Human Resource Information System's (HRIS's) Employee Identification Numbers (EINs), the AFIS will begin to use the EINs instead of SSNs to pay State employees for travel and/or reimbursements on January 1, 2005. Travel claim forms to be made available the first of the coming year will reflect this change.

Because the SSN will still be required for tax purposes, it will be moved to the Alternate Vendor Number field of the vendor number table and will be viewable only by a few General Accounting Office (GAO) employees. The new employee vendor number will read as 2XXXXXXXXX0. The XXXXXXXXXX represents the HRIS EIN. Example: If an employee's SSN is 123456789 and his/her EIN is 000088888, the AFIS will record these numbers in the vendor file in the following manner:

Vendor No:	20000888880	
Alt Vendor No:	123456789	(with 2 spaces to the right of the digits)

The AFIS will continue to use the existing vendor number scheme for all other vendors.

If you have any questions, please contact your GAO liaison.

## **Security Help Line**

The GAO Application Security telephone number is (602) 542-5600. Use this number to resolve matters involving signature authority, AFIS user classes, the assignment or deactivation of AFIS IDs, and Warrant Authorization Cards.

The new ISD help line phone number is (602) 364-4444. Use the ISD help line number to have AFIS passwords reset.

## **Winter Holidays**

The best of the winter holidays to you!